State of Montana Information Technology Board
Meeting Minutes
March 3, 2016
10:00 a.m.
State Capitol – Room 152

Members Present:

Sheila Hogan, Chair, DOA

Kenneth Bailey, OPI

Ron Baldwin, CIO/SITSD

Joe Chapman, DOJ

Susan Fox, LSD

Mike Kadas, DOR

George Parisot, DLI

Jennie Stapp, SL

John Thunstrom, CHE

John Tubbs, DNRC

Staff Present:

Jennifer Schofield

Tim Wunderwald

Noah Horan

Guests Present:

Becki Kolenberg, Jenifer Alger, Lynne Pizzini, Greg Snortland, Dave Carlson, Samantha Mongaven, Jim Gietzen, Quinn Ness, Audrey Hinman, Tim Peterson, Jeff Buska

✆ **Real-time Communication:**

Jerry Steinmetz

Welcome and Introductions

Sheila Hogan welcomed the council to the March 3, 2016 ITB meeting. All members and guests were introduced.

Minutes

The minutes from the December 8, 2015 meeting were reviewed and approved.

State CIO Update, Ron Baldwin
State Strategic Plan for IT

Ron mentioned that the draft was reviewed last meeting. On March 1, 2016 the plan was posted to the IT Plans website and approved by the Governor. Ron reviewed the plan and highlighted accomplishments including NASCIO's recognition of Montana and the Governor's Award for Excellence.

> **Action Item:** Agency specific IT plans are due June 30, 2016. Ron highlighted several goals including making state websites mobile-capable, deploying mobile apps, building and operating enterprise systems that are shared across state and local government, cloud utilization, and managing cyber security risk.

Volume 10

Ron discussed the template for Volume 10 (which is available on the ITB website). Volume 10 details all IT spending in a standardized format as agreed upon during the last session. It will be broken down by agency and include records for the biennium. It is intended to answer questions about IT spending. The plan will be presented to the Legislative Finance Committee (LFC) on March 10, 2016. LFC is expecting regular updates. HB 10 projects will also be reflected. Appropriation discussions are still expected to take place in the respective subcommittees.

> Q: Susan Fox asked if this will be done just for the upcoming biennium or if it will include the current.
> A: Ron: This will be a representation of FY 2016 spending in order to set IT spending in context.
> Comment: Jennie Stapp mentioned that proposals to the legislature will be based on FY 2017 appropriations. Volume 10 will be coupled with present law adjustments and new proposals. Jennie disagrees that Volume 10 reflects the total IT expenditure.
> Ron responded the intent is to provide an executive summary that will not necessarily be comprehensive. Agencies can put any annotation or explanation on their page. Volume 10 is an iterative work in progress.

Rate Setting Process

Ron reviewed the Financial Transparency Model (FTM) Encompass flowchart (which can be found on the ITB website). He mentioned that the process of budgeting has begun. Jenifer Alger provided a summary of the process flowchart. Each division has its own spreadsheet. Rates must be submitted to the Office of Budget and Program Planning (OBPP) by July 8, 2016.

Q: Jennie Stapp: Is there a date by which we need to submit budget sheets?
A: Jenifer Alger: That date is still to be announced.
Q: Kenneth Bailey asked whether the rate of Enterprise Content Management (ECM) usage will be included.
A: Jenifer: Yes.

Healthcare Data Warehouse

Ron explained the project is a collaborative effort to create a warehouse of claims information. The effort is being undertaken by the Governor's Office, the Department of Administration (DOA), and the Department of Public Health and Human Services (DPHHS). The goal is to help keep costs down by creating a repository that is secure but oriented for data analytics.

Q: Susan Fox: What kind of data?
A: Ron: State plan information, Healthcare Benefit Division claims, and Medicaid claims. It will offer a longitudinal look at individuals, providers, and what it costs to keep people healthy.
A: Sheila Hogan: We currently house our data with a public/private partnership group and we do not have immediate access to the information. We cannot wait weeks to target individual cases. This project will save between $400,000-500,000.
Q: Susan: Wasn't Allegiant handling this?
A: Sheila: It was separate from our Third Party Administrator.
Q: John Thunstrom: Is there an anticipated launch date?
A: Ron: Yes, by July 1, 2016, but it will be an ongoing process. More data and more complex analysis will come over time. The data is standardized but complicated. We are working on the process to correlate and connect the data.

Enterprise IT Cabinet Work Group

Ron explained that the governor wants to consider enterprise IT for the executive branch. The workgroup would consider what it takes to create an environment where we can save money and gain efficiency utilizing enterprise technology shared assets.

Oracle License Agreement

Ron reviewed that the State and Oracle came to an agreement allowing for cloud services and unlimited license procurement. For 36 months, the state will be able to license Oracle products within a certain set of agencies and implement them at will. At the end of 36 months, a process called certification converts the products into Continuing Service Improvement licenses for product by processor core. Several thousand cores are licensed with Oracle within a virtualized environment. The perpetual cost to oracle will be $330,000 a year. Costs have been determined per agency and already distributed.

Business

Enterprise Content Management (ECM) Perceptive Content Update, Audrey Hinman

Audrey provided an overview of the Enterprise IT Financial Workgroup's discussion on rates. SITSD was entertaining a proposal for the funding of Perceptive Content from a subcommittee put together by the Department of Public Health and Human Services (DPHHS), the Department of Labor and Industry (DLI), the Department of Justice (DOJ), and the Department of Administration (DOA). The proposal included moving certain aspects of the funding into an enterprise agreement. The Enterprise IT Financial Workgroup entertained the proposal and Ron has directed Audrey to continue working with the status quo. The process has been certified by Lexmark and we are currently about a month and a half into migrations. There have been some minor problems, such as certain software failing to match. Every new issue is being documented to make the training of agencies easier. A schedule has been released to the ITMC website and agencies have been notified. There are several questions agencies must answer before migration can occur.

Clarification: Ron Baldwin: Perceptive Content is a Lexmark product and will be the State's ECM system. The implementation has been a goal of both the Legislature and the Executive Branch. The system will house all of the documents and scanned images, whether created electronically or otherwise, in a safe repository that allows for easy storage and easy retrieval. This will better enable users to incorporate data into workflows. The system will be affordable, functional, and shared by the enterprise.

Data Classification Policy, Lynne Pizzini

Lynne provided an overview of the policy, which has been updated and is posted on MOM and the ITB website. Concern was expressed about how the policy relates to open records laws. A statement was added to clarify what is impacted by the policy. Other changes have to do with different types of data and the classification of that data. There are three levels of data classification. One was removed to match the categorization of information systems according to NIST standards.

MT-ISAC Update, Lynne Pizzini
Lynne provided an update on MT-ISAC. In MT-ISAC's previous two meetings, 37 objectives were identified that the council will work to accomplish. The council has achieved five so far. MT-ISAC has implemented an information awareness and training program and received a Department of Homeland Security grant in order to provide training. In addition, MT-ISAC has developed an awareness campaign to deliver the message of information security, has updated the State of Montana security policies to meet with NIST framework, and has offered shared risk management guidance with both local government and the private sector. There are various workgroups that answer to the council. The Assessment Workgroup is working on an assessment document for agencies to utilize. The Tools Workgroup is working to develop tools to implement the Device Hardening Strategy. Other MT-ISAC projects include the Governor's Dashboard, which is being presented in outline format to the Chief of Staff within the next couple of weeks, and an incident response form for agencies to follow.
   Q: Mike Kadas: What is device hardening?
   A: Lynne: Protection of devices from viruses, malware, hacking attempts, etc.
   Q: Ron: Does device hardening include the use and implementation of MDM?
   A: Lynne: That is a separate best practices discussion we will be having.

Montana Interactive Update, Becki Kolenberg
Becki provide and eGovernment Services Status Report which can be found on the ITB website and includes current to the last fully completed quarter. The report includes a summary of the Montana Electronic Government Services Act, as well as highlights regarding activities since 2001. Becki summarized the savings to the state through partnership with Montana Interactive. She then summarized services now primarily undertaken online. Montana Interactive has 61 total partners, including the state, county governments, city governments, and universities.
   Q: Ron: Are County Treasurer's offices using the payment portal?
   A: Becky: 27 cities and counties are utilizing some form of service and 17 use the payment portal.

Becki provided an executive summary, including services offered to the state at no cost. There was a review of fourth quarter activities and 2015 as a whole. Key successes include uptake by local government. 16 different counties utilize the burn permit service. 17 local government entities are collecting over 200 different payment types, which include taxes, bills, and fees. In 2015, local governments processed over 57,000 transactions, totaling $14 million. Many smaller, rural counties need this contract in order to offer these services. Montana Interactive launched a website (www.montanainteractive.net) at the end of 2015 which has been well-received. Becki said the total savings to the state has been $13.9 million.

9-1-1 Advisory Council, Quinn Ness
Quinn provided an overview of the 9-1-1 Advisory Council which has been focusing on the creation of Next-Generation 911 (NG 9-1-1). Quinn gave a summary of the history of emergency services in the state of Montana and explained that funding is provided to local governments in order to host 911 dispatch centers. Current Enhanced 911 features allow for the identification of the location of the caller whether they are calling from a landline or a cellular device. NG 9-1-1 involves the use of mobile data which is now a ubiquitous function of modern cellphones. This gives emergency callers the ability to send pictures, audio, and video recordings to the 911 dispatcher.

Quinn explained that the 9-1-1 Advisory Council gathers information and makes recommendations. Governor Bullock renewed the council in October 2015. The Council has broad state representation to include representatives from many agencies and private industries. DOA has tasked the council with providing recommendations for updating statute to support NG 9-1-1. The 9-1-1 program has no regulatory authority. The 2015 Legislature passed HJR 7, which requested an interim study to assess the viability of implementing NG 9-1-1. HJR 7 was assigned to the Energy and Telecommunications Interim Committee (ETIC), which formed an NG 9-1-1 working group. The Advisory Council developed a framework for updating statutes. The framework highlights four main themes: jurisdiction, governance, technology, and funding. Development of technology standards will be critical. Pursuing standardized NG 9-1-1 across county, state, and national borders is critical to providing excellent service. These suggestions have been provided to the Legislative Finance Committee (LFC) and will be presented at the March 11, 2016 meeting. The 9-1-1 Advisory Council will request that legislation begin to be drafted.

Comment: Mike Kadas encouraged the council to involve DOR during the pursuit for funding.

Quinn: The Council is not recommending an increase in funding for now.

MMIS Update, Jeff Buska

The MMIS project contract with Xerox has had several years of trouble. The LFC is following the situation closely. In October 2015, the DPHHS entered into dispute resolution with Xerox and the contract has been restructured. The legacy MMIS system is still functioning but is outdated and takes considerable effort to maintain. The Centers for Medicare and Medicaid Services (CMS) is appraising enhanced funding for states who are in the process of replacing legacy MMIS systems. DPHHS is currently assessing priorities, constructing a timeline, and restructuring the goals of the project. It will take several months to put a plan together. Outstanding questions exist regarding implementation of Medicaid expansion and integration with Blue Cross Blue Shield.

Q: Ron Baldwin: Regarding the federal financing of systems, CMS is shifting its vision. Could you speak to that?

A: Jeff: CMS issued a final rule on claims processing systems and is now encouraging modular system builds. Historically, MMIS renewal projects have exceeded contract timelines and budgets. CMS will no longer approve state proposals that involve contracting with one single vendor to revamp MMIS systems. They are now emphasizing enterprise services and cloud-based solutions.

<u>Adjournment</u>

Next Meeting

Thursday, June 2, 2016, State Capitol, Room 152

Member Forum

Action Item: John Tubbs suggested that, during the next meeting, the Board discuss the executive budgeting process and begin to discuss plans for the future.

Public Comment

None.

Adjourn

The meeting adjourned at 12:00 PM.

Adopted June 2, 2016.